

Standard property profile survey - December 2018

- The average ESL rate for home & contents policies fell further to 15.2%.
- Two insurers (IAG & Westpac) reduced ESL rates.
- Average Base Premiums increased by \$9 compared with last month and \$47 compared with last year.
- Average Total Premiums are up \$1 over the month down \$20 over the year.

ESL

ESL rates for home and contents policies fell for the eighth month in a row, and continues to be at the lowest level since the Monitor began collecting data from insurers (excluding during the period of ESL removal in 2017). There has been some large rate reductions by some insurers and there is now a 4.9 percentage point gap between the highest and lowest rate.

- IAG brands (NRMA, CGU and Coles) reduced rates from 16.0% to 13.5%.
- IAG brands now have the lowest level of ESL in our survey
- Westpac has cut their ESL rates by 1% down to 16%.
- Youi remains the highest in our survey with an ESL rate of 18.4%.

Figure 1: Average ESL rate (Home and contents)

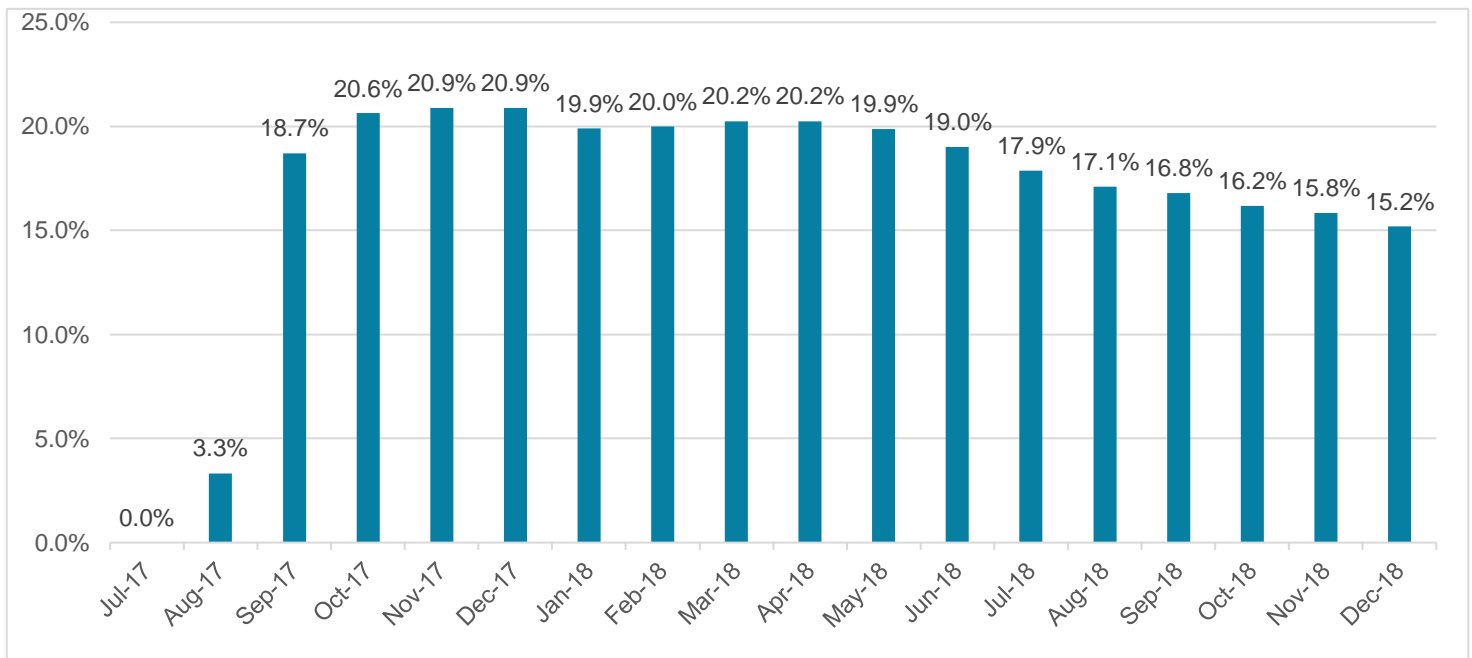


Table 1: Average ESL rates by insurer

Company	Home & contents ESL Rate %	% point change since previous month	% point change since previous year
CGU	13.5%	-2.5%	-6.0%
Coles	13.5%	-2.5%	-6.0%
NRMA	13.5%	-2.5%	-6.0%
AAMI	14.5%	0.0%	-8.5%
Allianz	14.5%	0.0%	-4.5%
GIO	14.5%	0.0%	-8.5%
Suncorp	14.5%	0.0%	-8.5%
CommInsure	15.5%	0.0%	-7.5%
Westpac	16.0%	-1.0%	-5.0%
Woolworths	16.0%	0.0%	-4.0%
OnePath	16.5%	0.0%	-3.5%
QBE	16.5%	0.0%	-3.5%
Youi	18.4%	0.0%	-

Youi commenced providing data on 1 July 2018

Base Premiums

Across all insurers and locations:

- Month change: Average Base Premiums increased by \$9 to \$1,265.
- Year change: Average Base Premiums have increased by \$47.

Table 2: Change in Average Base Premium over time by location

	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
Location Average	\$1,057	\$1,410	\$1,246	\$1,055	\$1,278	\$2,299	\$1,000	\$1,212	\$1,147	\$1,190	\$1,113
\$ month change	-\$5	\$6	\$0	-\$7	-\$6	\$151	-\$5	-\$9	-\$5	-\$7	\$1
\$ year change	\$0	\$108	\$30	-\$2	\$66	\$350	\$13	-\$7	\$1	\$13	\$35

Changes to Base Premiums: Month to 1 December 2018

There was a slight rise in base premiums of 0.7% this month, principally due to a significant increase made by Coles.

Analysis by insurer:

- From November to December, Coles' average base premiums increased by \$176, adding to the October to November increase of \$142. This was in part due to the doubling of indexation this month, as it had not occurred the previous month, and a significant risk re-rating at one location (Hinton).
- Westpac increased average base premiums by almost \$7, and NRMA by \$4.
- AAI brands (AAMI, GIO) reduced average base premiums by \$45 and \$28 respectively. Another AAI brand, Suncorp, increased average base premiums by \$1.
- Average base premiums did not change at Allianz, CommInsure, OnePath and QBE.

Analysis by location:

- Seven locations experienced a fall in average base premiums over the month. The reduction in each of the locations was between \$5 and \$9. Locations: Bradbury, Concord, East Gosford, Hornsby, Medlow Bath, Randwick, and Riverview
- Yet again, Hinton experienced a significant increase in average base premium over the month, up \$151. The majority of this increase was due to Coles' increase of \$1,870 in this location (equating to +140%). Coles introduced a new flood model over the month, causing the significant change in Hinton.
- AAMI and GIO reduced base premiums at all locations (except Wollongong). Changes were attributed to a response to competitive market conditions.

Figure 2: Average Base Premium per location – November and December 2018

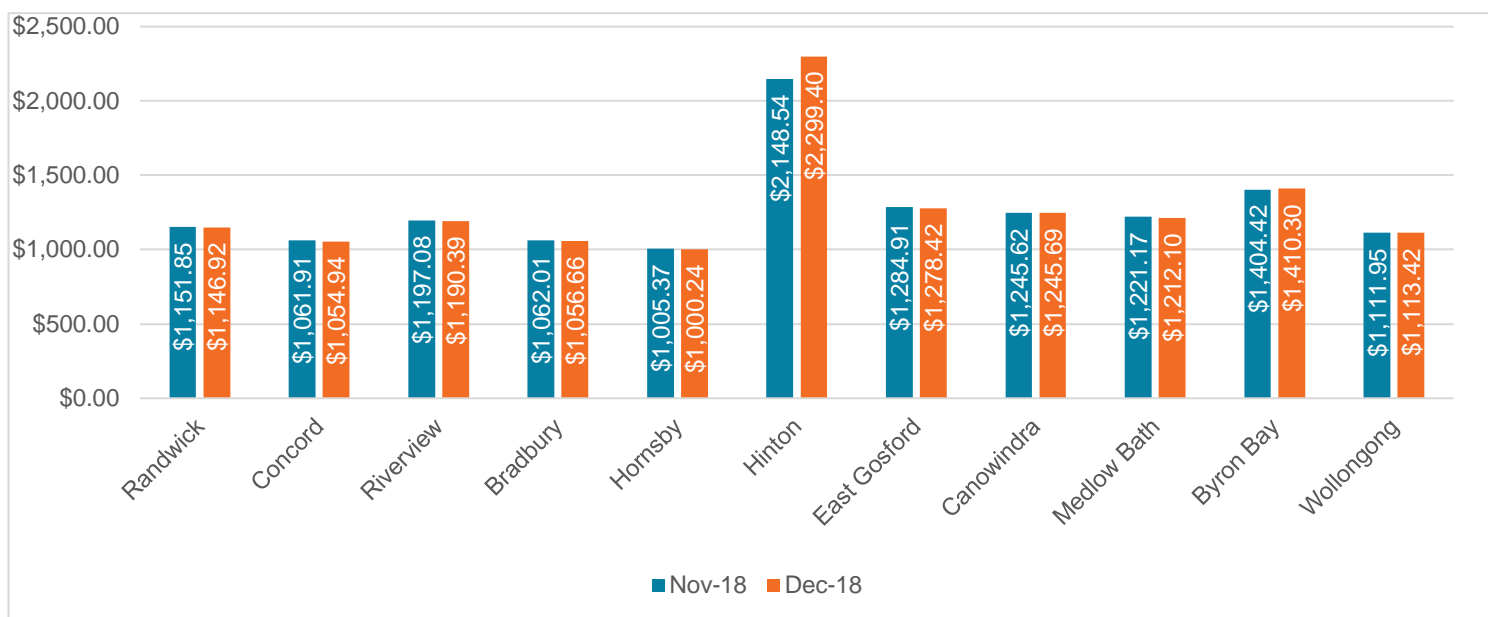


Table 3: Base Premiums charged by insurer per location in the Monitor’s survey, as at 1 December 2018

Base Premiums	Randwick	Concord	Riverview	Bradbury	Hornsby	Hinton	East Gosford	Canowindra	Medlow Bath	Byron Bay	Wollongong
AAMI	\$1,211	\$1,132	\$1,247	\$945	\$1,040	\$890	\$1,090	\$753	\$1,205	\$1,257	\$968
Allianz	\$950	\$912	\$965	\$994	\$876	\$2,211	\$1,083	\$844	\$1,022	\$887	\$904
CGU	\$1,091	\$1,105	\$1,075	\$1,002	\$895	\$3,548	\$1,180	\$1,003	\$992	\$1,582	\$1,075
Coles	\$901	\$867	\$1,173	\$1,042	\$688	\$3,203	\$1,126	\$1,657	\$947	\$1,864	\$1,408
CommInsure	\$1,318	\$1,282	\$1,300	\$1,209	\$1,108	\$1,811	\$1,377	\$1,495	\$1,176	\$1,268	\$1,110
GIO	\$1,304	\$972	\$1,365	\$1,162	\$1,143	\$1,183	\$1,284	\$1,248	\$1,476	\$1,339	\$1,193
NRMA	\$1,526	\$1,431	\$1,680	\$1,528	\$1,538	\$6,501	\$1,711	\$1,388	\$1,765	\$1,409	\$1,204
OnePath	\$1,338	\$1,205	\$1,347	\$1,101	\$1,155	\$2,257	\$1,471	\$1,777	\$1,312	\$1,461	\$1,213
QBE	\$1,331	\$1,169	\$1,335	\$1,036	\$1,114	\$2,420	\$1,435	\$1,803	\$1,273	\$1,659	\$1,188
Suncorp	\$1,439	\$1,041	\$1,433	\$1,222	\$1,166	\$1,321	\$1,350	\$1,282	\$1,709	\$1,448	\$1,225
Westpac	\$931	\$1,006	\$1,009	\$931	\$799	\$1,020	\$1,072	\$1,051	\$997	\$1,079	\$917
Woolworths	\$714	\$748	\$741	\$663	\$692	\$1,228	\$807	\$857	\$796	\$1,164	\$671
Youi	\$855	\$845	\$804	\$902	\$789		\$1,634	\$1,035	\$1,087	\$1,917	\$1,399
Location Average	\$1,147	\$1,055	\$1,190	\$1,057	\$1,000	\$2,299	\$1,278	\$1,246	\$1,212	\$1,410	\$1,113

Base premiums are before ESL, GST and stamp duty.

Changes to Base Premiums: Year to 1 December 2018

Year on year average base premiums have increased \$47. There are significant variations in premiums charged at the individual location or insurer level.

Analysis by insurer:

- Average base premiums decreased over the 12 months at four insurers: GIO (-\$52), QBE (-\$18), Westpac (-\$98) and Woolworths (-\$97). (Woolworths' change is largely as a result of the Monitor's updated criteria for providing premium quotes.)
- Increases in average base premium occurred at six locations.
 - Increases of between \$10 and \$30 were experienced at: AAMI, CommInsure, NRMA and OnePath.
 - Significant increases occurred at: Allianz +\$114, Coles +\$394, CGU +\$184, and Suncorp +\$186.

Analysis by location:

- All locations except three recorded increases in average base premium over the year.
 - Small increases (less than \$13) occurred at Hornsby, Randwick, and Riverview
 - More significant increases occurred at East Gosford (+\$66), Canowindra (+\$30) and Wollongong, (+\$35).
 - Once again, Hinton experienced the largest increase of all the locations in the Monitor's survey, increasing by an average of almost 18% or \$350.
- Small falls in average base premiums were recorded at Bradbury, Concord and Medlow Bath.

Figure 3: Average Base Premium: December 2017 and December 2018

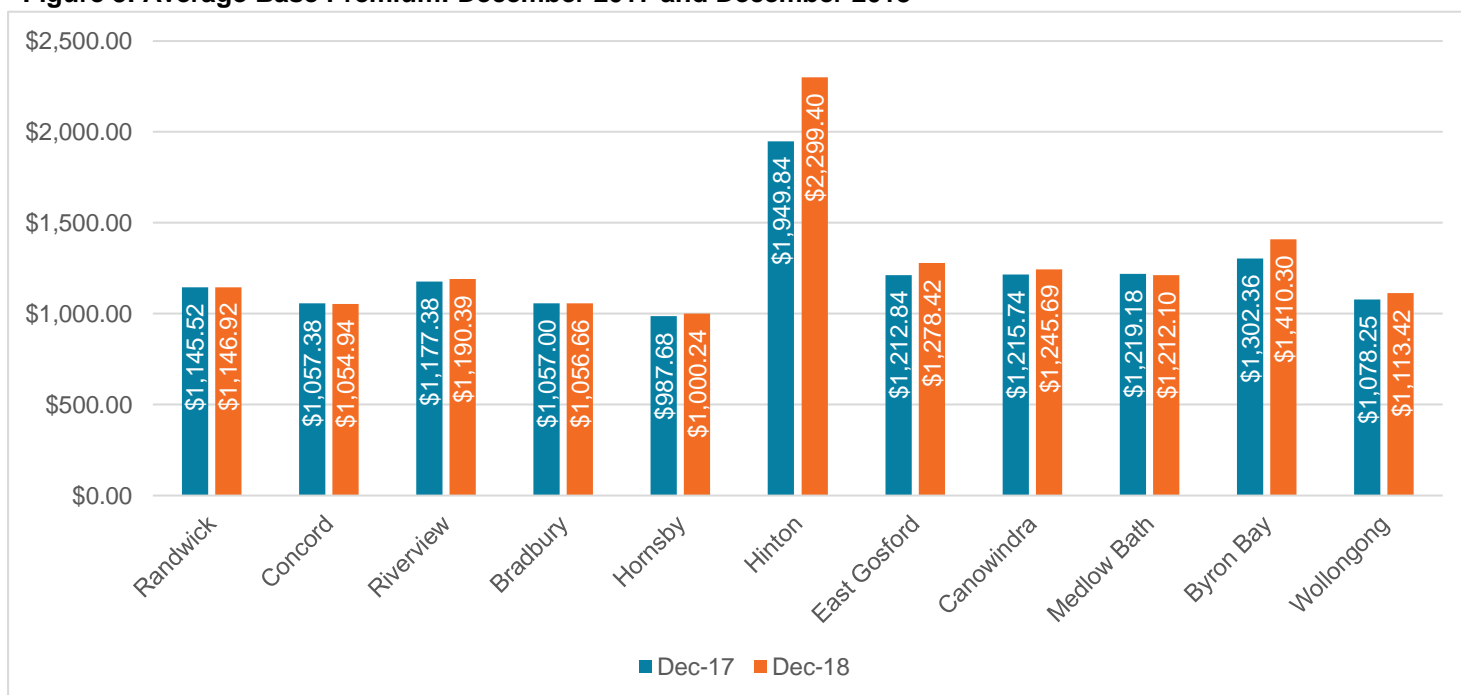


Table 4: Base Premium \$ change for month and year to 1 December 2018

	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
Month	-\$46	-\$13	-\$8	-\$73	-\$65	-\$38	-\$47	-\$85	-\$58	-\$66	\$1
Year	\$7	\$83	\$9	-\$4	\$6	\$20	\$23	-\$32	\$8	\$12	-\$21
Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Year	\$83	-\$18	\$22	\$71	\$58	\$733	\$58	\$81	\$75	\$68	\$21
Month	\$3	\$4	\$3	\$3	\$3	\$3	\$2	\$2	\$3	\$3	\$3
Year	\$42	\$66	\$42	\$46	\$49	\$1,561	\$29	\$54	\$45	\$44	\$44
Month	\$6	\$11	\$10	\$5	\$7	\$1,870	\$4	\$6	\$5	\$7	\$8
Year	\$128	\$545	\$232	\$113	\$329	\$1,973	\$254	\$127	\$106	\$341	\$191
Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Year	\$32	\$21	\$42	\$28	\$38	-\$5	\$30	\$32	\$36	\$36	\$0
Month	-\$40	-\$9	-\$9	-\$32	-\$37	-\$34	-\$32	-\$49	-\$22	-\$40	\$1
Year	-\$67	-\$35	-\$33	-\$51	-\$63	-\$54	-\$50	-\$67	-\$45	-\$60	-\$47
Month	\$4	\$4	\$4	\$4	\$4	\$5	\$4	\$4	\$4	\$4	\$3
Year	\$45	\$68	\$67	\$15	\$84	-\$13	\$15	-\$36	\$15	\$50	\$11
Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Year	-\$55	\$35	\$122	-\$22	-\$13	\$128	\$8	\$32	\$32	\$7	-\$31
Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Year	-\$33	-\$28	-\$25	-\$31	-\$34	-\$27	\$25	-\$9	\$26	-\$30	-\$33
Month	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$1
Year	\$142	\$264	\$232	\$125	\$159	\$203	\$142	\$324	\$174	\$176	\$107
Month	\$0	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Year	-\$93	-\$93	-\$48	-\$17	-\$87	-\$163	-\$94	-\$374	-\$74	-\$16	-\$24
Month	\$2	\$3	\$2	\$2	\$2	\$4	\$2	\$2	\$2	\$2	\$2
Year	-\$80	-\$120	-\$93	-\$91	-\$94	-\$160	-\$78	-\$93	-\$89	-\$85	-\$80
Month	\$0	\$0	-\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$0
Year	-	-	-	-	-	-	-	-	-	-	-

Note: Youi began providing quotes to the Monitor from July 2018

Total Premiums

- Average Total Premiums increased \$1 over the month to \$1,746.
- Over the year to 1 December Average Total Premiums fell by \$20.
- Individual Average Total Premiums vary greatly at the insurer and location level, despite the small increases at the aggregate level.

Table 4: Change in Average Total Premiums charged by location to 1 December 2018.

Average Total Premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
Location Average	\$1,458	\$1,948	\$1,721	\$1,456	\$1,766	\$3,158	\$1,380	\$1,673	\$1,583	\$1,642	\$1,538
Month change	-\$16	-\$4	-\$10	-\$18	-\$19	\$176	-\$15	-\$22	-\$16	-\$19	-\$7
Year change	-\$75	\$61	-\$40	-\$77	\$8	\$343	-\$52	-\$96	-\$79	-\$66	-\$25

The basis for providing quotes was updated as of 1 July 2018, which may impact premium comparisons when compared to last year.

Changes to Average Total Premiums: Month to 1 December 2018

Analysis by insurer:

- Average Total Premiums quoted by five insurers fell: AAMI (-\$62), CGU (-\$36), GIO (-\$38) and NRMA (-\$54) and Westpac (-\$2)
- Three insurers increased Average Total Premiums, Suncorp and Woolworths by \$2 and \$3 respectively and Coles by \$205.
- No change occurred at the remaining insurers.

Analysis by location

- Average Total Premiums fell at all locations compared with the same time last year, with the exception of Hinton.
 - Hinton experienced an increase of \$176.
 - Falls of between \$4 and \$7 occurred at Byron Bay and Wollongong. While larger falls of between \$10 and \$20 occurred at all other locations.

Changes to Average Total Premiums: Year to 1 December 2018

Analysis by insurer:

- Decreases occurred at: AAMI (-\$94), CommInsure (-\$79), GIO (-\$203), NRMA (-\$100), QBE (-\$86), OnePath (-\$28), Westpac (-\$202) and Woolworths (-\$179).
 - The falls at OnePath and Woolworths are largely due to the change in the basis of the Monitor's data request (from July 2018).
 - ESL rate decreases have occurred at all companies over the year, contributing to the fall in Total Premiums.
- Increases were implemented at: Allianz (+\$105), CGU (+\$168) Coles (+\$468) and Suncorp (+\$139).
 - Allianz's premiums were impacted by the changes in the Monitor's data request from July 2018, while Coles had an error in its ratings engine, which when corrected (July 2018), increased premiums. Coles' premiums were further increased this month by the double indexing across the survey and the significant increase at Hinton.

Analysis by location

- Average Total Premiums fell in all but three locations (Hinton (+\$343), Byron Bay (+\$61) and East Gosford (+\$8).
- Hinton continues to be impacted by changes in flood risk assessments made by a number of insurers during the year, including the re-rating undertaken by Coles this month.
- Price falls were generally in the range of -\$50 to -\$80 at Bradbury, Concord, Byron Bay, Hornsby, Randwick, and Riverview.
- Medlow Bath recorded the largest price fall over the 12 months, down \$96.

Table 5: Annual Total Premiums by location and insurer as at 1 December 2018

Average Total premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollon-gong
AAMI	\$1,297	\$1,726	\$1,034	\$1,553	\$1,496	\$1,222	\$1,427	\$1,654	\$1,663	\$1,712	\$1,328
Allianz	\$1,365	\$1,217	\$1,159	\$1,253	\$1,487	\$3,035	\$1,203	\$1,402	\$1,304	\$1,325	\$1,241
CGU	\$1,363	\$2,152	\$1,365	\$1,503	\$1,606	\$4,828	\$1,218	\$1,350	\$1,485	\$1,464	\$1,463
Coles	\$1,417	\$2,537	\$2,255	\$1,180	\$1,532	\$4,359	\$936	\$1,289	\$1,227	\$1,597	\$1,917
CommInsure	\$1,674	\$1,756	\$2,071	\$1,776	\$1,907	\$2,508	\$1,535	\$1,629	\$1,825	\$1,800	\$1,537
GIO	\$1,595	\$1,838	\$1,713	\$1,334	\$1,763	\$1,625	\$1,570	\$2,027	\$1,791	\$1,874	\$1,637
NRMA	\$2,079	\$1,918	\$1,890	\$1,947	\$2,328	\$8,847	\$2,093	\$2,402	\$2,077	\$2,287	\$1,638
OnePath	\$1,538	\$2,040	\$2,483	\$1,683	\$2,055	\$3,152	\$1,614	\$1,833	\$1,869	\$1,882	\$1,694
QBE	\$1,447	\$2,317	\$2,518	\$1,633	\$2,004	\$3,380	\$1,555	\$1,779	\$1,859	\$1,864	\$1,659
Suncorp	\$1,678	\$1,988	\$1,760	\$1,430	\$1,853	\$1,814	\$1,601	\$2,346	\$1,976	\$1,967	\$1,682
Westpac	\$1,295	\$1,501	\$1,462	\$1,399	\$1,491	\$1,418	\$1,111	\$1,386	\$1,295	\$1,404	\$1,275
Woolworths	\$923	\$1,619	\$1,193	\$1,040	\$1,122	\$1,708	\$963	\$1,106	\$993	\$1,030	\$934
Youi	\$1,280	\$2,719	\$1,472	\$1,200	\$2,317	n/a	\$1,120	\$1,544	\$1,214	\$1,142	\$1,983
Location Average	\$1,458	\$1,948	\$1,721	\$1,456	\$1,766	\$3,158	\$1,380	\$1,673	\$1,583	\$1,642	\$1,538

The large variation in Average Total Premiums and the range of changes occurring at different locations or insurers highlights the importance of consumers obtaining a number of quotes when taking out or renewing insurance policies in order to obtain the best value policy for their needs.

Table 6: Annual Total Premiums Range

Average Total premiums	Bradbury	Byron Bay	Canowindra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
Minimum	\$923	\$1,217	\$1,034	\$1,040	\$1,122	\$1,222	\$936	\$1,106	\$993	\$1,030	\$934
Location Average	\$1,458	\$1,948	\$1,721	\$1,456	\$1,766	\$3,158	\$1,380	\$1,673	\$1,583	\$1,642	\$1,538
Maximum	\$2,079	\$2,719	\$2,518	\$1,947	\$2,328	\$8,847	\$2,093	\$2,402	\$2,077	\$2,287	\$1,983
Max. multiple of Min.	2.3	2.2	2.4	1.9	2.1	7.2	2.2	2.2	2.1	2.2	2.1

Ranking of insurers: Average Total Premiums

On average across the Monitor's survey of 11 locations, the following was found as at 1 December 2018:



Cheapest

Woolworths, Westpac, Allianz and AAMI



Mid




Youi, CGU, Coles, GIO, CommInsure



Most Expensive

Suncorp QBE, OnePath, NRMA

Table 7: Rank of Average Total Premiums by location, as at 1 December 2018

Location	Cheapest 				Mid 					Most expensive 			
Randwick	Woolies	Youi	Coles	W'pac	Allianz	CGU	AAMI	GIO	CBA	QBE	OnePat	Suncorp	NRMA
Concord	Woolies	Coles	Youi	Allianz	GIO	W'pac	Suncorp	CGU	AAMI	QBE	OnePat	CBA	NRMA
Riverview	Woolies	Youi	Allianz	W'pac	CGU	Coles	AAMI	CBA	QBE	GIO	OnePat	Suncorp	NRMA
Bradbury	Woolies	Youi	W'pac	AAMI	CGU	Allianz	Coles	QBE	OnePath	GIO	CBA	Suncorp	NRMA
Hornsby	Coles	Woolies	W'pac	Youi	Allianz	CGU	AAMI	CBA	QBE	GIO	Suncorp	OnePath	NRMA
Hinton	AAMI	W'pac	GIO	Woolies	Suncorp	CBA	Allianz	OnePath	QBE	Coles	CGU	NRMA	
East Gosford	Woolies	Allianz	W'pac	AAMI	Coles	CGU	GIO	Suncorp	CBA	QBE	OnePat	Youi	NRMA
Canowindra	AAMI	Allianz	Woolies	CGU	W'pac	Youi	GIO	Suncorp	NRMA	CBA	Coles	OnePath	QBE
Medlow Bath	Woolies	Coles	CGU	W'pac	Allianz	Youi	CBA	AAMI	QBE	OnePath	GIO	Suncorp	NRMA
Byron Bay	Allianz	W'pac	Woolies	AAMI	CBA	GIO	NRMA	Suncorp	OnePath	CGU	QBE	Coles	Youi
Wollongong	Woolies	Allianz	W'pac	AAMI	CGU	CBA	GIO	NRMA	QBE	Suncorp	OnePat	Coles	Youi

Youi does not provide a quote for Hinton